

UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF PUERTO RICO

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In re:

PROMESA
Title III

THE FINANCIAL OVERSIGHT AND
MANAGEMENT BOARD FOR PUERTO RICO,

as representative of

No. 17 BK 3283-LTS

THE COMMONWEALTH OF PUERTO RICO,
et al.,

(Jointly Administered)

Debtors.¹

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NOTICE OF CORRESPONDENCE RECEIVED BY THE COURT

The Court has received and reviewed the attached correspondence, described below, from interested persons in the above-captioned cases. Although the Court cannot respond individually to all of those who have expressed their thoughts or concerns, the Court is deeply mindful of the impact of the fiscal crisis on lives, institutions, and expectations, and of the importance of the issues that are raised in these unprecedented cases.

1. Letter dated November 21, 2017 from Maria Freedman.
2. Letter dated December 04, 2017 from Jose Mercado Nunez.
3. Letter dated December 06, 2017 from Claudio Putnam Calderon.
4. Letter dated December 11, 2017 from Georgiana Persichilli.

¹ The Debtors in these Title III Cases, along with each Debtor's respective Title III case number and the last four (4) digits of each Debtor's federal tax identification number, as applicable, are the (i) Commonwealth of Puerto Rico (Bankruptcy Case No. 17 BK 3283-LTS) (Last Four Digits of Federal Tax ID: 3481); (ii) Puerto Rico Sales Tax Financing Corporation ("COFINA") (Bankruptcy Case No. 17 BK 3284-LTS) (Last Four Digits of Federal Tax ID: 8474); (iii) Puerto Rico Highways and Transportation Authority ("HTA") (Bankruptcy Case No. 17 BK 3567-LTS) (Last Four Digits of Federal Tax ID: 3808); (iv) Employees Retirement System of the Government of the Commonwealth of Puerto Rico ("ERS") (Bankruptcy Case No. 17 BK 3566-LTS) (Last Four Digits of Federal Tax ID: 9686); and (v) Puerto Rico Electric Power Authority ("PREPA") (Bankruptcy Case No. 17 BK 4780-LTS) (Last Four Digits of Federal Tax ID: 3747). (Title III case numbers are listed as Bankruptcy Case numbers due to software limitations).

5. Letter dated December 12, 2017 from Eva Stern.
6. Letter dated December 27, 2017 from John Lugo Ruiz.

Dated: January 8, 2018

November 21, 2017

Honorable Laura Taylor Swain
United States District Court for the District of Puerto Rico
Federal Court of PR Office 150, Federal Building
San Juan, PR 00918-1767

Re: Puerto Rico Debt Restructuring

Dear Judge Swain:

Your honor, as a holder of Puerto Rico general obligation bonds, PREPA bonds and COFINA bonds I expect the law to be respected and for the court to protect my bondholder rights and liens. I understand that Puerto Rico is in the midst of a real crisis, not similar to the contrived highly touted humanitarian crisis they created about 2 years ago. However, a crisis should not prevent the court from enforcing liens and bondholder remedies. Once priority liens are confirmed by the court the mediators can work out the repayment terms and restructure the debt consensually as Congress intended. Unfortunately neither the Puerto Rico government nor the Oversight Board can be trusted to deal fairly with bondholders if either are afforded any leverage. It appears to me even COFINA bondholders with a perfected statutory lien and PREPA bondholders that have a perpetual priority lien on electric revenues are considerably more willing to negotiate than is the government or Federal Oversight Board.

The United States is a country built on laws. If a person for whatever the reason can't pay their mortgage they will eventually lose their home. If a person can't make their car payments because they lost their job or they are ill, it makes no difference that car will be taken from them. In America contract law is enforced. If a person refuses to pay electric or water bills they will have no power and no water service until they pay what they owe. It appears that Puerto Rico politicians, their advisers, lawyers and the federally appointed Oversight Board feel because Puerto Rico is currently in a difficult situation that puts them above the law and they don't have to honor their debts. It seems they feel Puerto Rico should be treated differently than I would be treated if I couldn't pay my bills.

I reside in Florida, in 2005 my roof was blown off by a tornado associated with hurricane Wilma. The house was destroyed by water damage and I was out of my home for over a year, I still had to pay my mortgage, my taxes, insurance and all other bills related to home ownership. Getting away with not paying your debts is beyond the logic of every hard working American federal taxpayer. It is difficult for most American's to understand why Puerto Rico expects to be able to break debt contracts and be given debt forgiveness because times are difficult. Puerto Rico has \$70 billion of debt and nothing to show for it. I would like the Governor to explain why PREPA has \$9 billion of debt related to an electric grid that is 40 to 50 years old. At some point Puerto Rico politicians should be held responsible for creating this mess way before hurricane Maria hit. The U.S. Congress must stop being politically correct and admit that many Puerto Rico politicians appear not to know right from wrong or don't care about what is right and what is wrong. Congress should publicly acknowledge many Puerto Rico politicians are either corrupt or incompetent. More than a few Puerto Rico politicians have been found guilty of all of the above.

Both the U.S. and Puerto Rico governments are responsible for the Island's current financial crisis. The U.S. government gave exclusively to Puerto Rico the most attractive investment feature of any U.S. security...Triple Tax Exemption. Then the U.S. government did not monitor their borrowings and paid little attention to the lack of financial transparency or lack of financial

statements. They are both guilty of financial negligence because they knew Puerto Rico had no access to bankruptcy. It is hard to accept that many in Congress still are not aware of Puerto Rico's history of corruption. The U.S. Congress must put an end to this nonsense, stop beating around the bush and accept that they must share responsibility.

How can U.S. and Puerto Rico politicians believe the Island will ever regain market access. Puerto Rico has revealed to the world in public court proceedings their "unwillingness" to pay. They made their various cases disregarding laws, liens and bondholder rights. Puerto Rico politicians and the Federal Oversight Board are making a travesty of our laws. It is even more outrageous that two U.S. lawmakers encourage this behavior.

The fact is that hundreds of thousands of investors like me, who believe that laws and liens will be upheld in court, keep holding on to their secured Puerto Rico bonds. Why would a bondholder give up on a bond at a substantial loss that Moody's and S&P stated has a perfected statutory lien? Why would a bondholder give up a utility bond that has a monopoly, no competition and has the power to raise rates to pay bondholders? This Puerto Rico government, the former governor, their lawyers and advisers have followed a strategy that drove Puerto Rico bond prices down. The obvious reason, the lower the price the easier to reach settlements with bondholders. They completely disregarded the plight of individual bondholders, many who are Puerto Rican dependent on the interest income from their Puerto Rico bonds. Major mutual fund managers Oppenheimer and Franklin don't own Puerto Rico bonds; their funds which are owned by individuals hold the bonds. Individuals hold 75% of the Island's debt, they are not involved in settlement talks, yet they are the ones suffering a loss of income because they believed in the laws of this country. It is not the fault of the bond broker familiar with municipal bond liens, who sold me an investment grade bond with a dedicated revenue source that by the existing law at the time of my purchase could not file for bankruptcy protection. My broker has kept me up to date and is not responsible for Puerto Rico's actions, yet up until I wrote this letter to whom else could I complain?

Many Bondholders like me believe the U.S. government must share the blame. The U.S. gave Puerto Rico municipal bonds triple tax exemption without controlling their mounting debt. Since Puerto Rico could not file bankruptcy investors had to rely on the integrity of Puerto Rico politicians. They were expected to cut expenses and/or raise taxes when they ran into financial difficulty. Then U.S. government politicians changed the rules when they enacted PROMESA. The intent was negotiated consensual restructuring of Puerto Rico debt while respecting liens and bondholders rights. As we all know, good faith negotiations never took place and Congress did nothing about it. PREPA bondholders and the Puerto Rico government reached a consensual agreement that was supposed to be outside PROMESA. However, for reasons I never understood the Oversight Board was allowed to disregard PROMESA and renege on the signed agreement, Congress did nothing. Unbelievably under PROMESA an issuer does not have to be experiencing financial problems to be put into Title III forced restructuring. COFINA 2015-2016 revenues were \$2.5 billion while debt service was only around \$700 million. Jefferson County AL paid sales tax bondholders throughout their bankruptcy proceeding. Puerto Rico owns the water and sewer authority along with the electric utility both monopolies with no competitors and by the bond indentures must raise rates to pay bondholders. It's a joke PREPA wasn't paying bondholders, even Detroit utilities paid during bankruptcy. However, the bigger joke is the Puerto Rico government owes PREPA \$100's of millions in unpaid electric bills, the municipalities don't pay for electricity, one has an outdoor ice skating rink, many hotels are exempt from paying for electric and PREPA only collects 65% from those who are billed.

The bondholders are paying the price for this fiasco. When Puerto Rico ran into financial problems in 2006 and lost access to the bond market at reasonable rates they created COFINA.

COFINA issued sales tax bonds within a structure very similar to the Municipal Assistance Corporation's (MAC) bonds that rescued NYC in the late 1970s.

COFINA bonds were created to offer ironclad protection for bondholders, protection from Puerto Rico politicians. Every precaution was taken by bipartisan Puerto Rico lawmakers to create a perfected statutory lien, an identifiable dedicated revenue source, lockbox to keep money promised bondholders from the Puerto Rico government, bondholders were legally assured their first lien funds were not available resources to the Puerto Rico government. In essence they made every effort to protect COFINA bondholders in a bankruptcy, even though Puerto Rico had no access to bankruptcy.

The intent of the COFINA law when it was being structured was to create ironclad protection for bondholders. The Moody's and S&P original credit reports convinced investors COFINA bonds had a perfected statutory lien and were extremely safe. They rated senior bonds AA and subs A, they were the highest rated Puerto Rico bonds. Without COFINA bonds Puerto Rico would have faced a financial meltdown in 2006. Today Puerto Rico politicians and lawyers are making a mockery of those efforts made by previous Puerto Rico lawmakers by disregarding their own laws. No one I know will ever again buy any kind of bond issued by Puerto Rico? If Puerto Rico succeeds in their "unwillingness to pay" strategy, when a mainland issuer runs into financial problems they will be advised by the same lawyers to follow the Puerto Rico "unwillingness to pay" strategy, therefore endangering the entire municipal bond market.

Many states, counties and cities have issued sales tax bonds. Jefferson county Alabama was ordered to pay their sales tax bonds throughout their bankruptcy proceedings.

Judge Swain this nonsense must stop both sides will end up spending \$100's of millions of dollars in legal fees. Even the Puerto Rico government and the Federal Oversight Board are spending Puerto Rico funds suing each other.

History is being made, unless Puerto Rico changes its strategy it will always carry the stigma of its reckless actions and PROMESA will be remembered as one big embarrassment for the United States. No Puerto Rico bondholder will ever visit or recommend a visit to Puerto Rico, never mind buy their bonds. Tourism to Puerto Rico by bondholders that can help the Puerto Rico recovery is lost. Bondholders or any mainland U.S. citizen considering a retirement destination is not considering Puerto Rico. Private investment in an Island that refuses to voluntarily honor bond liens or any type of contract is never going to materialize. When will the U.S. government realize market access is a now a pipe dream. All of Puerto Rico problems will end up landing on the doorstep of Congress, if the U.S. government continues to allow the past and even worse the current behavior of the Puerto Rico government to continue.

Unlike NYC and Washington DC who had Control Boards and repaid all debts, the Puerto Rico government and Federal Oversight Board have no interest in treating bondholders fairly. They have done little to improve the financial future of Puerto Rico other than follow an ill-advised strategy to bail out Puerto Rico on the backs of the bondholders who rescued the Island from its last financial crisis. The whole situation is surreal to me as I'm sure it is to other municipal bondholders.

Judge Swain you accepted an enormous responsibility when Chief Justice Roberts asked you and you agreed to oversee this mess. You are now part of history and will be remembered for your actions in these cases. You know creditors are willing to go to the Supreme Court if necessary, just as Puerto Rico did when bondholders challenged Puerto Rico's attempt to create their own bankruptcy law, their so called Recovery Act. Both GO bonds and COFINA bonds, now in Title III, were exempt from the ill-advised act as were PRASA and PREPA.

The Puerto Rico government should realize bondholders don't want to jeopardize the well-being of the Puerto Rico people because that serves no purpose. Keeping the current crisis in mind,

we just want to be treated fairly and not categorized as vultures. Any informed outsider looking in recognizes that government reform must be strictly monitored by parties never connected to the current Puerto Rico political culture. That outsider would realize the obvious, the extreme positions taken by Governor Rosselló and the Oversight Board disregard Puerto Rico law, bondholder liens and rights. Their actions, if continued, seriously threaten the future of the people and economy of Puerto Rico. Even I can see their actions will make the Island more dependent on U.S. financial aid. Can they possibly be that naive to believe these actions will succeed and help their bid for statehood or am I that naive to believe their strategy won't work?

I pray that God gives you the wisdom to deal with this fiasco, along with the courage to uphold the law when it is clear and the good judgement to rule fairly when the law requires interpretation.

Respectfully yours,

Maria Mercedes Freedman

A solid black rectangular box used to redact the signature of Maria Mercedes Freedman.

December 4, 2017

Honorable Judge Laura Taylor Swain
United States District Judge
Southern District of New York

I direct myself to you, with all due respect, but before I'd like to congratulate you for having been assigned to the Bankruptcy case of Puerto Rico. My name is Jose Mercado Nunez, I retired from the Puerto Rico Police, badge number 17055, on March 31, 2013 under the Law 70 of July 2, 2010, known as "Early Retirement Plan Encourage"-Alternative 4(b).

I worked for the force for 22 years, without ever calling in sick. When I retired the Police Department still owed me my liquidation of sick days, worked holidays and salary adjustments. According to Article 6 of the Law 70 the liquidation of accumulated licenses is to be paid no later than 90 days after the date of retirement. It's been four (4) years and nine (9) months and I have yet to receive payment, for what by law I am entitled to. I have made several arrangements in effort to have this settled all of which have been unsuccessful.


I am requesting, with all due respect, for your help if this has been handed over to your attention under PROMESA Title III. At this time I am temporarily residing in the State of Pennsylvania due to my financial and health conditions.

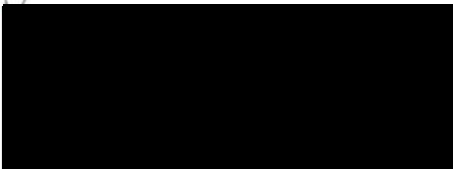
Your attention to my request is greatly appreciated.

May God Bless you

"We trust in you"

Sincerely,


Jose Mercado Nunez



12-6-2017

Hon. Laura Taylor Swain
United States District Judge
United States District Court
Southern District of New York

Thank you for not letting Noel Zamot get in the AEE or PREPA.

Please order a forensic audit by an independent party of the whole debt.

Please investigate each and one of the Puerto Rico Fiscal Board Members for corruption under the RICO Act.

Natalie Jaresko makes \$625,000 a year and is under investigation in Ukraine.

<https://www.globalresearch.ca/us-tax-dollars-and-ukraines-finance-minister/5479840>

José Carrión III, family and owner of Banco Popular Puerto Rico's biggest bank owner.

<https://www.sec.gov/Archives/edgar/data/763901/000095014405002609/g93665def14a.htm>

Carlos Garcia, created some of the debt mess while working under the Santander Bank.

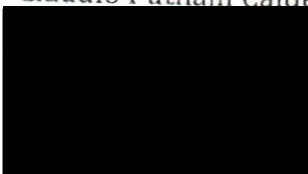
<https://www.elnuevodia.com/noticias/politica/nota/temenquedosedelosmiembrosdelajuntatenganconflictos-2239785/>

Please help! The corruption hurricane is category 6.

Thank you,



Claudio Putnam Calderón



Dec 11, 2017

Dear Honorable Laura Swain

I am writing this letter to you about the case you are overseeing concerning Puerto Rico bonds.

I am a widow of 10 years and collect only \$1700.00 a month from Social Security. My husband left me some money from his life insurance policy, I put the money into Puerto Rico bonds and the dividends is what I had and need to live on (my Social Security is not enough).

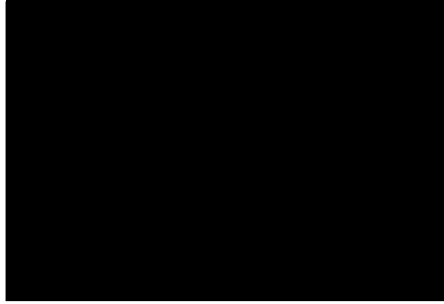
Two years ago my son at 50 years old had a stroke, he is paralyzed on his left side, his wife can't work (she has health issues also) and she takes complete care of him alone. For the last 2 years they are still waiting for the benefits they are entitled to & haven't received "anything" yet. So for the past 2 years I have been completely supporting them, my money is depleting and without the Puerto Rico dividends coming in both families will suffer. I am so stressed and worried "what will I do without the dividends coming in".

I pray you make the right decision.

Thank you

Georgiana Persichelli

Eva Stern



December 12, 2017

Honorable Judge Swain
500 Pearl Street
New York, New York 10007


Re: Puerto Rico Sales Tax Bonds

Dear Honorable Judge Swain,

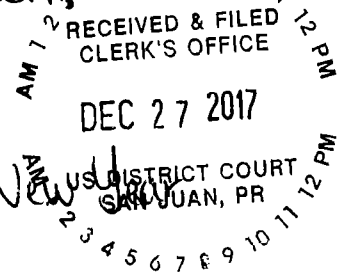
I am a single parent raising two children. I have invested in the Puerto Rico sales tax bonds because I was assured of its safety as the funds to pay the bonds go directly into a lock box and are contractually free of any liens or contingencies. You have frozen the payment of these bonds while the people of Puerto are getting a Christmas bonus. I am unable to provide for my children because my money is frozen by you and are not allowing payments to be made. This is grossly unfair and I respectfully request to please permit the trustee to make payments on my bonds.

Thank you for your anticipated understanding of the urgency of this matter for people who are desperately dependent on these funds.

Sincerely yours,


Eva Stern

December 22nd, 2017
Dear: Honorable Laura Taylor Swain
U.S. District Court Judge



Merry Christmas and happy New Year
2018.

My name is John Lugo Ruiz, I live
in [REDACTED]

After Hurricane Maria our street's four
post went down, we have been without
Electric Power (AEE) for almost 95 days. All
the neighborhood around us has electricity,
but us.

Three AEE employee live in our
neighborhood and they have electricity.
Somebody even wrote in a AEE report that
the whole neighborhood has electricity,
which is incorrect. Almost 48 families are
in need of this service.

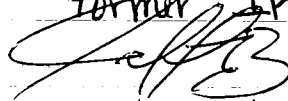
Please help, we need electric cables transformers,
regulators and an electric company to visit
our street to instal them.

In God we trust.

Sincerely,

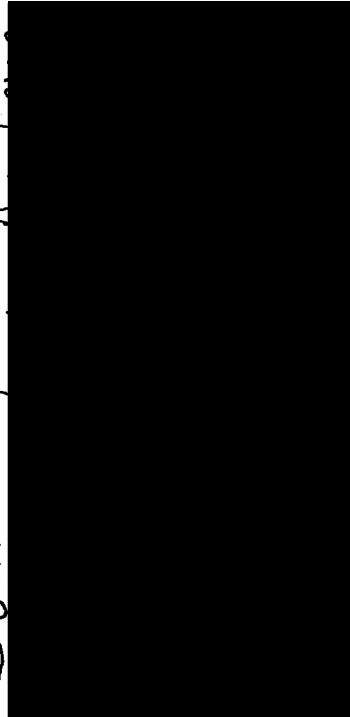
John Lugo Ruiz

Former IRS employee



P.S. A great and huge thanks in
advance from our neighborhood and
family

John Lugo Ruiz



SAN JUAN PR 009

26 DEC 2017 PM 2 L



Honorable Judge Laura Taylor Swain
U.S. District Court Judge P.R. in
Room 3, 150 Carlos Chardon Street,
Federal Building, Office 1501
SAN JUAN, P.R. 00918-1767

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